

WAREHOUSE LEASE AMENDMENT #1 — EXPANSION OF PREMISES

This warehouse lease amendment #1 (Amendment #1) is made this 5th day of ~~June~~ ^{July} 2001 by and between HALCYON ASSOCIATES (Landlord), and MONTGOMERY COUNTY, MARYLAND (Tenant) to the August 2000 lease (Original Document) for 8663 Grovemont Circle, Gaithersburg, Maryland. Landlord and Tenant agree:

A#1 Part #1 Terms and Conditions. This Lease now comprises the Original Document and this Amendment #1. This Amendment #1 supersedes the Original Document; but all terms and conditions in the Original Document that are not changed in this Amendment #1 remain unchanged and in force. Some terms and conditions are repeated here for convenience.

A#1 Part #2 Additional Premises. The Premises are hereby expanded to include 8653 Grovemont Circle (Additional Premises). The Additional Premises are contiguous to 8663 at the north tenant separation partition. The Additional Premises is deemed to contain 3,000 square feet of Gross Rentable Area.

A#1 Part #3 Term for Additional Premises. For the Additional Premises only, the Term shall be TWO full fiscal years. The Starting Date for the Additional Premises only is July 1, 2001; the Ending Date for the Additional Premises only is June 30, 2003. For the Additional Premises only, Tenant may extend the Term only by Addendum #1 of Amendment #1 — Tenant's Option to Extend Term.

A#1 Part #4 Rent Payment. Tenant shall pay to Landlord all rent in United States currency without any deduction, set-off, notice, and demand. Tenant shall pay all Monthly Base Rent Installments in advance by the first day of each calendar month. All money shall be paid to: HALCYON ASSOCIATES, P.O. Box 79880, Baltimore, Maryland 21279-0880 or any other address or party as Landlord may direct by written notice.

A #1 Part #5 Base Rent. Starting July 1, 2001, Tenant shall pay, for the Additional Premises only, Base Rent of \$ 60,972.00 (exclusive of Additional Rent, if any) in Monthly Base Rent Installments by the Additional Premises Base Rent Schedule:

Additional Premises Base Rent Schedule

Period	Starting Date	No. of Months	Monthly Base Rent Installment (\$)	Period Base Rent (\$)
Lease Year #1	07/01/01	12	2,500.00	30,000.00
Lease Year #2	07/01/02	12	2,581.00	30,972.00
Total Base Rent (exclusive of Additional Rent, if any)				60,972.00

A #1 Part #6 Possession and Improvements. The following provisions apply to the Additional Premises only:

#6(1) Possession. Landlord shall not be liable for any late delivery of the Additional Premises caused by any events or persons not under Landlord's direct control, including but not limited to any permit, utility, or fire department official; material shortage; labor unrest; utility stoppage; holdover by existing tenant; or act of God.

#6(2) Early Possession. If Landlord delivers to the Additional Premises to Tenant before the Starting Date, then (a) Tenant's Lease obligations other than payment of Base Rent shall begin as of actual delivery and (b) Tenant's payment of Base Rent shall be as if Landlord delivered the Additional Premises on the Starting Date.

6(3) Improvements by Landlord. Tenant accepts the Additional Premises "AS-IS," except for Landlord's Work by Lease Addendum #2 — Improvements.

#6(4) Improvements by Tenant. Tenant shall make all other improvements to the Additional Premises necessary for Tenant's use and occupancy of the Additional Premises.

A #1 Part #7 Tenant's Pro Rata Share. In accordance with Sections 7 and 8 of the Original Document, the County shall pay increases in real estate taxes and insurance costs by the following percentages, which apply to the Additional Premises only:

#7(1) Real Estate Taxes. The Building contains 42,000 square feet of GRA, Tenant's Share for real estate taxes for the Additional Premises only is deemed to be 7.1% of that GRA.

#7(2) Insurance. The Park contains 150,000 square feet of GRA, Tenant's Share for insurance costs for the Additional Premises only is deemed to be 2.0% of that GRA.

A #1 Part #8 No Brokers. With regard to this Amendment #1, Tenant warrants that it has not dealt with any finders, real estate agents, or brokers.

ADDENDUM #1 OF AMENDMENT #1 — TENANT'S OPTION TO EXTEND TERM

AA #1 (a) Extension Term. This Addendum #1 applies only to the Additional Premises. Only in accordance with this Addendum #1 of Amendment #1, Tenant may extend the term for the Additional Premises only one time for a ONE-year "Extension Term" only. If the conditions in AA #1 (b) Requirements to Extend are not met, then Tenant's option to extend for the Additional Premises only shall be automatically void.

AA #1 (b) Requirements to Extend. Only if (a) Tenant is not in default, (b) the Lease is in force, (c) the Lease has not been assigned and the Premises has not been sublet, and (d) at least THREE months but not more than SIX months before the end of the initial Term, Tenant gives Landlord notice that Tenant will extend, then the Term for the Additional Premises only shall be extended for the Extension Term. TIME IS OF THE ESSENCE FOR TENANT'S NOTICE TO LANDLORD.

AA #1 (c) Extension Term Base Rent — Lease Year #3. Tenant shall pay, for the Additional Premises only, Base Rent of \$ 31,980.00 (exclusive of Additional Rent, if any) in Monthly Base Rent Installments by the Additional Premises Base Rent Schedule:

Additional Premises Base Rent Schedule

Period	Starting Date	No. of Months	Monthly Base Rent Installment (\$)	Period Base Rent (\$)
Lease Year #3	07/01/03	12	2,665.00	31,980.00
Total Base Rent (exclusive of Additional Rent, if any)				31,980.00

AA #1 (d) Other Provisions. Unless noted otherwise, all other Lease terms and conditions, including but not limited to the payment of Additional Rent, shall remain the same during the Extension Term. If, at the start of any Extension Term, the customary insurance coverage for this type of lease and tenant has increased, then Tenant will increase its coverage.

ADDENDUM #2 OF AMENDMENT #1 — IMPROVEMENTS

AA #2 (a) Landlord's Work. This Addendum #2 applies only to the Additional Premises. Landlord shall perform only the following "Landlord's Work." There is no other Landlord's Work. Unless noted otherwise, all work shall be Building Standard. Where existing improvements are in good working order, Landlord may use existing improvements. Some Landlord's Work may have already been completed. Landlord shall:

- a. HVAC. Install HVAC system with five tons AC and electric heat. Refit existing ducts as required.
- b. Lighting. Place existing ceiling light fixtures in good working order; relocate as required.
- c. Overhead door. If required, install 8' x 8' overhead door and new concrete apron.
- d. Ceiling tile. Replace any missing ceiling tile with tiles in good, but not necessarily new, condition.
- e. Separation Partitions. Place all tenant separation partitions enclosing the Additional Premises in good condition.

AA #2 (b) Compressor Replacement. Landlord, at Landlord's option, shall either (a) install a new air conditioning compressor within thirty days of the starting date or (b) at the end of its useful life, replace the air conditioning compressor. Tenant shall make all subsequent replacements of the compressor. Landlord shall assign all new compressor warranty to Tenant and shall assist Tenant in enforcing the warranty.

AA #2 (c) Tenant's Work in General. As required by the Tenant or local code authorities, Tenant shall provide and install all necessary additional improvements (if any) to the Additional Premises as required for Tenant's use and occupancy, including but not limited to additional partitions, lighting, HVAC, work benches, modular office furniture, electrical distribution, special equipment, systems furniture, telephone wiring and systems, computer systems, alarm systems, etc., and any associated plans, permits, and code items, including but not limited to, fire suppression systems for specific equipment and low-voltage wiring permits.

Signature page follows next.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be properly executed:

Witness to Mr. Daniel:

Landlord: HALCYON ASSOCIATES, LTD.

David Baltis

Date signed: 6/20/01

John Daniel
John Daniel, General Partner
Date signed: June 20, 2001

Witness:

Tenant: MONTGOMERY COUNTY, MARYLAND

Rebecca S. Domaruk
Date signed: 7/5/01

By: William M. Mooney Jr.
Name: William M. Mooney Jr.
Title: ACAO
Date signed: 7/5/01

RECOMMENDED

By _____
Name: _____
Title: _____
Date signed: _____

APPROVED AS TO FORM AND LEGALITY
OFFICE OF COUNTY ATTORNEY

By Eileen T. Basaman
Name: Eileen T. Basaman
Title: Assistant County Attorney
Date signed: 6/27/2001